

File OP. 4
"New Compensation System"
REPT. 100TH CONG. 1st Session
Part I

100TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

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Part I

APPENDIX C

U.S. HOUSE OF REPRESENTATIVES,
PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, December 9, 1985.

Hon. DAVE DURENBERGER,
Chairman, Senate Select Committee on Intelligence,
Washington, DC.

DEAR DAVE: Thanks for your letter of December 5 concerning logistical advice to the contras.

I do agree with you that the Conferees on the FY 1986 Intelligence Authorization Act did not put the entire subject of logistics off limits. However, we did constrain CIA activities in significant ways. Further, the Supplemental Appropriations Act for FY 1985 also constrains the CIA. The Agency is not to participate in any way in the distribution of humanitarian assistance. The Agency may only provide advice and support to other U.S. government agencies responsible for the distribution of the assistance. Thus, the Act makes clear direct CIA logistics advice on the effective distribution of humanitarian assistance is not appropriate. The Conference Report does not amend the Supplemental Appropriations Act.

The other problem, as I see it, is that logistical advice on how to distribute food inside Nicaragua is as useful for the distribution of ammunition as it is for food. Both items are essential for the conduct of military and paramilitary operations in Nicaragua. Thus, advice in this area can well be seen as military advice to the contras. It would ill serve the Agency to become embroiled in controversy at this juncture regarding a matter about which Congress has expressed such repeated reservations.

With best wishes, I am
Sincerely yours,

LEE H. HAMILTON, *Chairman.*

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INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1988

MAY 13, 1987.—Ordered to be printed

Mr. STOKES, from the Permanent Select Committee on Intelligence,
submitted the following

REPORT

[To accompany H.R. 2112]

The Permanent Select Committee on Intelligence, to whom was referred the bill (H.R. 2112) to authorize appropriations for fiscal year 1988 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, having considered the same, report favorably thereon and recommend that the bill do pass.

PURPOSE

The bill would:

- (1) Authorize appropriations for fiscal year 1988 for the intelligence and intelligence-related activities of the U.S. Government, (b) the Intelligence Community Staff and (c) the Central Intelligence Agency Retirement and Disability System;
- (2) Authorize the personnel ceilings on September 30, 1988, for the intelligence and intelligence-related activities of the U.S. Government;
- (3) Permit the Director of Central Intelligence to authorize personnel ceilings in fiscal year 1988 for any intelligence elements up to 2 percent above the authorized levels;
- (4) Provide restrictions on support for military or paramilitary operations in Nicaragua;
- (5) Provide retirement benefits for certain former spouses of CIA personnel;
- (6) Provide a uniform allowance for certain civilian employees overseas of the Defense Intelligence Agency;

intelligence committees of the Congress promptly when the special termination authority is exercised.

The authority granted by Section 1590(e)(1) is identical to that provided by Section 1604(e) of Title 10 concerning special termination authority for DIA. The authority of Section 1590(e)(1) likewise has not been exercised.

The committee has decided to extend for another fiscal year the authority of Section 1590(e)(1) but to defer consideration of permanent extension until the Commission created by Section 601 of the bill has submitted its report.

TITLE VI—STUDY OF INTELLIGENCE PERSONNEL SYSTEMS

Section 601 of the bill would create a Commission on Intelligence Personnel Systems. The Commission will be charged with reviewing, across the board, personnel recruitment, retention, management, and compensation programs of the U.S. intelligence community. The Commission is to review these personnel systems, compare them with those available to the great bulk of the Federal Civil Service and make recommendations to the Congress on the future development, restructuring or adjustment of those personnel systems affecting intelligence personnel.

The committee feels such a Commission is necessary for several reasons. Over the past nine years, the Congress, principally the intelligence committees, has been asked repeatedly to make adjustments in management and personnel programs for certain intelligence agencies. The justification for the requested changes has often been that intelligence personnel serve under circumstances so dissimilar to those of most civil servants that differences in compensation or management are required. The Congress has been sympathetic to many, but not all, such requests. Often it has asked how other intelligence personnel in similar circumstances would be treated and has sought to ensure equality of treatment for those serving under similar circumstances. Just as often, the executive branch had undertaken no similar effort.

The committee has come to realize that this annual adjustment of personnel and management programs remains unfocused beyond the interests of individual agencies. It recognizes significant differences in the legal authorities of different elements within the intelligence community. The committee believes that requests for piecemeal adjustments are likely to continue. It anticipates that the Central Intelligence Agency may propose sweeping changes in its personnel and management approach that, whatever their merits, would have the effect of further emphasizing the differences in these areas among various intelligence agencies and particularly between CIA and the Federal Civil Service. The committee wishes to forestall consideration of the restructuring of CIA's personnel system until it is better informed about how such changes will affect agencies besides CIA.

The committee has structured the make-up of the Commission to ensure that it is non-partisan, experienced in personnel and management matters, and brings the perspective of private citizens to the complex but important issues the Commission must weigh. The committee does not intend to exclude former government officials

from serving on the Commission, but instead feels that experience in government managerial positions would serve members of the Commission well in the pursuit of their review.

The committee has recommended the authorization of \$500,000 for the Commission's operations during fiscal year 1987, to be drawn from funds authorized to be appropriated for the Intelligence Community Staff. In addition, Section 601(d) provides that all heads of elements of the intelligence community may assist the Commission in the conduct of its review by detailing personnel and other support. The committee believes that such support will be in the interest of all intelligence elements, since the intelligence community will benefit from the first comprehensive report and recommendations on the personnel and management systems under which their employees must perform their duties.

The committee urges appropriate intelligence officials to assist the Commission in its work, particularly including the granting of appropriate clearances and access to relevant records and officials. The committee also urges the President, the Speaker of the House and the Majority Leader of the Senate to expeditiously appoint the Members of the Commission so that they can devote the necessary time to the completion of their report and recommendations.

COMMITTEE POSITION

On April 23, 1987, the Permanent Select Committee on Intelligence, a quorum being present, approved the bill and by voice vote (with Mr. Brown voting no) ordered it favorably reported.

OVERSIGHT FINDINGS

With respect to clause 2(l)(3)(A) of Rule XI of the House of Representatives, the committee has held extensive hearings regarding the nature and conduct of the intelligence and intelligence-related activities of the U.S. Government in considering this legislation. This review is outlined under the section of this report describing the scope of the committee review. A wide range of recommendations regarding intelligence programs and their management has been included within the classified annex of this report.

FISCAL YEAR COST PROJECTIONS

With respect to clause 2(l)(3)(B) of Rule XI of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this legislation does not provide new budget authority or tax expenditures. The committee has attempted pursuant to clause 7(a)(1) of Rule XIII of the Rules of the House of Representatives to ascertain the outlays which will occur in fiscal year 1988 and the 5 years following if these amounts are appropriated. These estimates are contained in the classified annex and are in accordance with those of the executive branch.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

With respect to clause 2(l)(3)(C) of Rule XI of the House of Representatives, the committee has received no report from the Congressional Budget Office.